CITY OF SAN JOSÉ, CALIFORNIA Hearing Date/Agenda Number Department of Planning, Building and Code Enforcement P.C. 11/19/03 Item: 4.a. 801 North First Street, Room 400 San José, California 95110-1795 File Number PDC 03-029 Application Type STAFF REPORT Planned Development Rezoning Council District SNI Area Spartan Keyes Planning Area Central Assessor's Parcel Number(s) 472-14-045, -048, -049, -051, -054, -061 PROJECT DESCRIPTION Completed by: John Davidson Location: Northeast corner of S. Fifth and Keyes Streets Gross Acreage: 2.16 Net Acreage: 2.16 Net Density: 69 DU/AC Existing Use: Industrial and commercial uses Existing Zoning: LI Light Industrial Proposed Zoning: A(PD) Planned Development Proposed Use: up to 148 multi-family attached dwelling units and 2,500 square feet of retail space Completed by: JED **GENERAL PLAN** Land Use/Transportation Diagram Designation **Project Conformance:** Residential Support for the Core (25+ DU/AC) [] No [x] See Analysis and Recommendations SURROUNDING LAND USES AND ZONING Completed by: JED SJSU Foundry building, future park site LI Light Industrial, A(PD) Planned Development North: Auto repair, apartment, single-family residences LI Light Industrial East: South: Commercial buildings LI Light Industrial West: Industrial uses LI Light Industrial **ENVIRONMENTAL STATUS** Completed by: JED [] Environmental Impact Report certified [] Exempt [X] Negative Declaration circulated on October 31, 2003 [] Environmental Review Incomplete [] Negative Declaration adopted on **FILE HISTORY** Completed by: JED Annexation Title: Original City Date: March 27, 1850 PLANNING DEPARTMENT RECOMMENDATIONS AND ACTION [X] Approval Date: Approved by: [] Approval with Conditions [] Action [] Denial] Recommendation APPLICANT/OWNER CORE Development Inc. Attn: Martha Putnam 470 S. Market Street

San Jose, CA 95113

PUBLIC AGENCY COMMENTS RECEIVED

Completed by: JED

Department of Public Works

See attached memos

Other Departments and Agencies

See attached memos from Fire Department, Police Department, and Environmental Services Department

GENERAL CORRESPONDENCE

None received.

ANALYSIS AND RECOMMENDATIONS

BACKGROUND

The applicant is proposing a Planned Development Rezoning to allow up to 148 multi-family residences on a 2.16 gross acre site at the northeast corner of S. Fifth and Keyes Streets. The site is located within the Downtown Frame, within the Spartan Keyes Strong Neighborhood Initiative Area, and within the study area of the draft Martha Gardens Specific Plan.

A number of different industrial and commercial uses are located on the subject site, including a fiberglass manufacturer, an automotive electrical shop, and a door manufacturer and retailer. The San Jose State foundry is located directly to the north of the property, along with a future public park site. An auto repair shop and an apartment building abut the project along the eastern edge of the property. Single-family residences are located to the east across S. Sixth Street. Commercial uses are located to the south, across Keyes Street, and industrial uses are located to the west across S. Fifth Street.

Project Description. The project consists of 110 studio, 16 one-bedroom and 22 two-bedroom apartments intended primarily for artists. Studio units range in size from approximately 400 to 600 square feet, while one-bedroom units are 600 square feet in area, and two bedroom units are approximately 900 square feet in area.

The project consists of two distinct buildings. The 'Factory' building, which is located at the corner of Fifth and Keyes Streets will be four stories and 50 feet in height, and will feature a sawtooth roof similar to existing industrial buildings in the neighborhood. Most of the units are clustered around two separate open space areas, which are intended as workspaces for resident artists. A small retail space, most likely for a café, is integrated into the Keyes Street façade.

Parking for the Factory units will be provided by two interlocking parking ramps directly to the east of the building. One ramp, which starts out at grade and is angled downwards, is accessed from the north end of the project from S. Fifth Street. The other ramp, which is angled upwards from grade, is accessed from Keyes Street.

The other residential building, called the 'Cottage' building, fronts onto S. Sixth Street, is smaller in scale and meant to relate to the existing single-family residences across S. Sixth Street. The Cottage building will

be two stories in height, with a central courtyard, built over a podium garage. The building will be set back 15 feet from the property line, and will have landscaped front yards, similar to the existing residential lots

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across the street. The Sixth Street façade will be broken up into sections that mimic the rhythm of the single-family across the street. In addition, ground floor units facing S. Sixth Street will have porches and entryways that directly access the street.

A one-story, 3,300 square foot gallery building is located at the northeast corner of the site. The gallery space is intended as a common amenity for residents of the project, and is intended to be complementary to the public park under development immediately to the north.

ENVIRONMENTAL REVIEW

An Initial Study was prepared for this project and a Mitigated Negative Declaration was circulated by the Director of Planning on October 31, 2003. Noise and Hazardous Materials are the major environmental issues. The Initial Study included a noise report that addressed impacts to the proposed project from noise from surrounding streets. Mitigation measures identified in that report have been incorporated into the project. The Initial Study also included an Environmental Site Assessment that addressed hazardous materials impacts from previous uses on the site.

Noise Impacts. The City of San Jose Noise Element in the General Plan utilizes the Day-Night Level (DNL) 24-hour noise descriptor to define community noise impacts, and specifies that exterior noise exposures at residential areas not exceed 60 dB DNL when the noise source is transportation related. In addition, interior noise exposures are not to exceed 45 dB DNL. The Noise Element also states that residential development in close proximity to major thoroughfares, in the Downtown Core Area, along railroads and in the vicinity of San Jose International Airport have noise exposures that may not be able to meet the noise standards in the time frame of the General Plan. For these cases, staff has supported 65 dB DNL as the near-term exterior noise standard.

The noise report found the existing noise environment is due primarily to vehicular traffic along Keyes Street. The analysis found noise exposures greater than 70 dBA DNL occur at the edges of the site and mitigation measures will be required to reduce interior noise levels below 45 dBA DNL. Exterior spaces will be blocked from traffic noise by the building itself, and the resulting exterior noise levels in recreation areas will be at or below 55 dBA DNL, which meets the acceptable outdoor noise level identified by the Environmental Protection Agency, and is below the city's short-term exterior noise threshold of 60 dBA DNL.

The project proposes thick sound-rated windows and mechanical ventilation to provide the required 45 dB DNL interior living environment. Units along the Keyes Street façade will have windows with sound transmission class (STC) ratings of 32 to allow the interior noise standards to be met within residences. In addition, all units on the Fifth, Sixth, and Keyes Street facades are required to have mechanical ventilation so that windows can be kept closed. By incorporating the mitigation measures suggested in the noise report, the project will be able to achieve exterior noise levels of 55 dBA DNL across the site, including in private open spaces, and the required interior noise levels of 45 dBA DNL.

Hazardous Materials. The project site consists of a number of different parcels, with a variety of different industrial and commercial uses. The parcels at 1060 S. Fifth Street, 1057 S. Sixth Street and 1065 S. Sixth Street are occupied by the Viking Door Company. The portion of the Viking Door Company identified as 1060 S. Fifth Street is a case closed leaking underground storage tank (LUST) site. Based on a review of Santa Clara Valley Water District documents, two Underground Storage Tanks (USTs) were closed in place in 1985 after floating product was discovered in a monitoring well adjacent to the tanks. Remediation was performed on the site from 1985 to 2000, and in 2001 an analysis of the site was performed that indicated

that residual benzene was below target levels. Following the analysis, the SCVWD and Regional Water Quality Control Board granted closure to the subject site.

The property identified at 1098 S. Fifth Street was formerly equipped with a 1,000-gallon fuel UST. According to the property owner, the UST was filled with sand in the 1970s. Sampling was performed adjacent to the UST, which indicated the presence of hydrocarbons found in gasoline, along with benzene. The UST will have to be removed and the surrounding area remediated, in accordance with applicable law.

An inspection of the property located at 1098 S. Fifth Street also indicated the presence of numerous containers of solvents involved in the manufacture of fiberglass. These containers were generally not stored with secondary containment, and soil testing indicated the presence of trichloroethene (TCE), a known carcinogen.

The property located at 1044 S. Sixth Street has been occupied by various auto and truck repair businesses. An inspection of the property revealed a below-grade automobile service pit. This service pit was sampled for petroleum hydrocarbons, and after analysis it was determined that impacted soils were likely limited to the area immediately below the service pit.

In addition, due to the age of the subject buildings there is a possibility that asbestos-containing material (ACMs) and/or lead-based paint are present. Demolition of these structures could expose construction workers or other persons in the vicinity to harmful levels of asbestos and lead, which could be a significant health impact. The Initial Study calls for a survey for asbestos and for lead based paint on and around the building prior to demolition. Pursuant to state law, any debris or soil containing asbestos or lead-based paint or coatings will be disposed of at landfills that meet acceptance criteria for the waste being disposed.

In addition, conformance with the recommendations included in the Phase I Environmental Site Assessment for 1044-1098 S. Fifth Street and 1057-1065 S. Sixth Street dated July 9, 2002, prepared by AEI Consultants, will reduce impacts from hazardous materials to a less than significant level. These recommendations include removal of decommissioned underground storage tanks, destruction of any remaining wells on site, and further testing and preparation of a corrective action plan for trichloroethane.

In summary, hazardous materials are present at the site, but a remediation program has been developed to prepare the site for residential use.

Traffic Impacts. The Initial Study examined traffic impacts from the project, and found that the existing signalized intersections will conform to the City's Level of Service (LOS) policy in the project condition. Additionally, no signals are warranted by this project. Therefore, the project will not have significant environmental impacts as defined by the City's implementation of CEQA.

GENERAL PLAN CONFORMANCE

The proposal, at a net density of 69 DU/AC, conforms to the General Plan Land Use Designation of Residential Support for the Core (25+ DU/AC). The Residential Support for the Core designation has a minimum density requirement of 25 dwelling units per acre and no maximum density. The designation is intended to expand the potential for residential development in close proximity to central area jobs, and to create new consumer markets in the downtown area. The retail component of the project is consistent with the designation in that Residential Support for the Core allows commercial uses on the first two floors of residential projects. The proposed height and density of the project is also consistent with adopted land use policies for the Downtown Frame.

The project site is located within the Spartan Keyes Strong Neighborhoods Area. The Spartan Keyes Strong Neighborhoods Improvement Plan indicates that one of the goals of the plan is to support neighborhood scale residential infill development. The proposed development is scaled to the residential neighborhood to the east through the use of two-story units along the Sixth Street frontage, and through the use of porches and street entries along the perimeter of the project.

ANALYSIS

The primary project issues are compatibility with adjacent uses, and the project's conformance with the draft Martha Gardens Specific Plan.

Compatibility with adjacent uses. The proposed project spans the width of an entire block, and is surrounded by widely varying buildings and uses. The project attempts to respond to these different interfaces through the design of the two different buildings.

Along S. Sixth Street, across from existing one-and-a-half story single-family residences, the Cottage building will be an average of 35' and two stories in height. Along Sixth Street, the setback from the property line to the edge of the podium is approximately 15 feet, which is enough room for a front porch, steps down from the first level to street level, and a small front yard. The roof forms and porch elements of these units will be reflective of the single-family character of that block of S. Sixth Street. This project frontage will match the treatment of the recently approved JSM and the Virginia Terrace projects, to the north of the project site along the west side of S. Sixth Street.

Along S. Fifth Street, the Factory building will be more industrial in character. The building will be four stories and approximately 50 feet in height, and will sit at the Fifth Street property line. The façade will include industrial style windows, and roll-up doors for the first floor units. The roof will have a sawtooth form, similar to historic industrial buildings in the area. Staff will continue to work with the applicant through the Planned Development Permit process to insure compatibility of the entire project with the surrounding buildings and uses.

Conformance with the draft Martha Gardens Specific Plan. The project is located within the Martha Gardens Specific Plan area, which envisions the creation of a mixed-use arts district bounded by S. First, S. Sixth, Virginia, and Keyes Streets. The project will be a keystone in the development of an arts district in the Martha Gardens Specific Plan area.

The draft specific plan calls for infill development at high densities that establishes a strong sense of neighborhood. The project is consistent with the proposed High Density Residential (40-70) DU/AC) designation for the site, and establishes a strong sense of neighborhood by maintaining a human scale and facing outwards towards residential properties along Sixth Street, and by incorporating industrial elements into the project along Fifth Street.

The draft specific plan also calls for neighborhood serving retail uses along the Keyes Street frontage of the project. The project includes a 2,500 square foot retail space, intended for a café, at the northeast corner of S. Fifth and Keyes Streets, and a gallery space at the northeast corner of the project, abutting a City Park currently under development. The retail and gallery spaces are intended to invite neighborhood residents

into the project, and to further the sense of an arts community in the Martha Gardens area, which includes the San Jose State Foundry directly to the north of the project.

CONCLUSION

The project proposes 148 units on 2.16 net acres, for a density of 69 DU/AC, which is in line with the densities anticipated under the site's General Plan designation of Residential Support for the Core (25+DU/AC). The project furthers the overall vision of the draft Martha Gardens Specific Plan by providing artist-oriented housing and public spaces into a project that achieves compatibility with a varied neighborhood context.

Staff is recommending approval of the project, with conditions identified in the Mitigated Negative Declaration, to insure that the project will have less than significant environmental impacts and will be compatible with the surrounding neighborhood.

COMMUNITY OUTREACH

A public hearing notice for the project was published in a local newspaper and mailed to all property owners and tenants within 1,000 feet of the subject site. A community meeting, with staff present, was held February 13, 2003. Response from the neighborhood was generally favorable, because of the project's intention to be residential space for artists, and because the project includes gallery and retail spaces.

RECOMMENDATION

Planning staff recommends the Planning Commission forward a recommendation of approval and the City Council approve the project for the following reasons: '

- 1. The proposed rezoning conforms to the subject site's General Plan Land Use Diagram Designation of Residential Support for the Core (25+ DU/AC).
- 2. The project is consistent with the goals of the Spartan Keyes Strong Neighborhoods Improvement Plan.
- 3. The project is consistent with the goals and policies of the draft Martha Gardens Specific Plan.
- 4. The project proposes a design that is compatible the Sixth Street frontages by providing units that are compatible in scale and front setback, and have porches and stoops with direct access to the street.
- 5. The project relates appropriately to surrounding development in terms of height, setbacks, and detailing.

C: Kevin Wilcock, David Baker + Partners, 461 Second Street, loft c127, San Francisco, CA 94107

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